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INFORMATION REPORT

CD NO

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28 JUN 1954

1. All plants controlled by the Verwaltg fuer Industribedarf (Administration for Industrial Requirements - cover name for aircraft production) (VfI) fulfilled the 1955 investment plan very slowly. In mid-November, the fulfillment of the construction plans was only 43% and that of the equipment plans only 33%. It was believed that the fulfillment of the construction plan would be especially unsatisfactory at VEB MAB* in Dresden-Klotzsche and the fulfillment of the equipment plans would lag behind at all plants.
2. In early April 1955, the designation HV 18 had been replaced by the designation Verwaltung fuer Industribedarf (VfI). The VfI was placed under the Ministry of the Interior which controlled it with a very small number of employees. The plants belonging to that branch of industry were shifted from VEB administration to VfI control. The VfI is assisted by several Soviet advisers. The buildup of the aircraft industry is made under the cover of foreign exports for German foreign trade.
3. In early November 1955, the VfI organization was still in a state of fluctuation. Peetzold (fnu) was chief, and Brunolf W. Beade was technical manager. Wolf (fnu) was responsible for sector I which developed airframes and engines, and Dr. Ing. Boris Mindach was responsible for sector II, airframe and engine series construction. Sector III was headed by Krentzel (fnu). The repair shop of sector III was located in Schkeuditz. Glider construction was stationed in Lommatzsch. The equipment depot was in Freiberg.
4. Installations located in the Sonnenstein area in Pirna included the VfI as blanket organization of a chiefly administrative nature, the VEB Entwicklungsbau in Pirna which developed jet engines, the VE (Volkseigenes) Institut fuer Werkstoffe which examined, and promoted the development of material for aircraft and aircraft engines, and VE Institut fuer Pruef- und Messwesen which developed new test and measuring methods. Plants including test stands for jet engines and fuel depots for VEB Entwicklungsbau Pirna were under construction in an area adjacent to the Sonnenstein area. Engaged in the construction work were Bau Union Sued and VEB Stahlbau (steel construction) in Lichtenberg-Berlin.

* Maschinen- und Apparatebau.

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5. Most of the personnel were employees of the former Junkers plant in Dessau. Only a very small number came from BMW, Arado or Heinkel or were former airforce personnel. New personnel were usually recruited at the recommendation of VFI employees and were employed subject to examination and approval of the Ministry of the Interior. Leading personnel and specialists from the USSR received better payment than other employees in nationalized industries. Their pay was between 1,500 and 4,000 eastmarks. The recruitment of skilled labor was difficult. Specialists were not available in Pirna and Dresden in sufficient numbers. Specialists employed in Dessau disliked moving to Pirna because of housing difficulties and unsatisfactory payment. It was also generally doubted that the aircraft industry would be pushed after its abrupt stoppage after the rebellion on 17 June 1953. This scepticism was supported by lack of material for aircraft and engine construction. Political considerations also accounted for the situation. It was generally believed that the German scientists and technologists had worked successfully in the USSR only because they had been aware that they would have been in for severe punishment if they had been tried on charges of neglect or improprieties.
6. On 13 September 1955, Professor Baade, the VFI technical manager, Minsch, the planning manager, and Werner Makella, the technical manager of the Karl Marx-Stadt industrial plant, left Pirna for Moscow. They were scheduled to travel by air from Schoenefeld airfield on 14 September. The duration of their trip was unknown. The planning manager of VEB Entwicklungsbau Pirna stated that the trip was made for the conclusion of an agreement with the USSR on delivery of material for the construction of aircraft and aircraft engines in East Germany and specifically of engine parts for the Asch 82 type engine to speed up the production.²
7. Professor Baade returned with his companions from the USSR on 12 October. The results of their trip had not come up to expectations. The Soviets had been dissatisfied with the developments in East Germany and demanded newer and lighter jet engines. They disapproved of the development of the OL4 type jet engine, probably because they had a development of their own on this type. They referred to the situation in West Germany and often discussed the "German economic miracle". They also showed their own advances in the field of aircraft production. One of the plants made accessible to the Germans started series production of the IL-14 in April 1955 and had an output of 50 aircraft per month.³
8. Professor Baade and several of his co-workers were in Moscow for about five weeks. Baade stated that the P-152 project which was to earn foreign currency for the GDR had proved a complete failure because the Soviets refused to accept a type which they already had.

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Baade said that every time the Germans successfully completed a project, the Soviets would pocket it. He seriously doubted that the work done in Pirna was made on the basis of a planned collaboration.

9. Five VFI employees including Manfred Gerlach, an engineer, were scheduled to tour the USSR for two to three weeks to visit scientific institutes and establish contacts. Moscow, Omsk and Tashkent were mentioned as towns to which they would go.
10. Professor Baade and five engineers traveled from Pirna to Moscow in September 1955 to find ways and means of easing the shortage of material. Baade negotiated with the "Technical Commission for Soviet Aviation" in Moscow and returned to Pirna eight days late on 11 October 1955. Engineer Westerhellweg stated that they had negotiated for material including first-class steels from the USSR and Czechoslovakia. They had also attempted to remove the confusion which resulted from the acceptance and introduction of the GOST norms. He stated that the Soviets failed to make any definite promise to Professor Baade for the delivery of the material he requested.

The Soviets also did not promise the material for the 10 to 15 aircraft which must be available for the assembly of the one or two twin-engine aircraft scheduled to be built monthly. 4

11. A Central Committee session with Professor Baade was held on the VFI in the week following 6 November. It was learned that a Ministers Council decision was made after this meeting. Subjects of discussion probably were the continuation and volume of the VFI work and a preparatory contract on deliveries of material from and sales to Moscow.

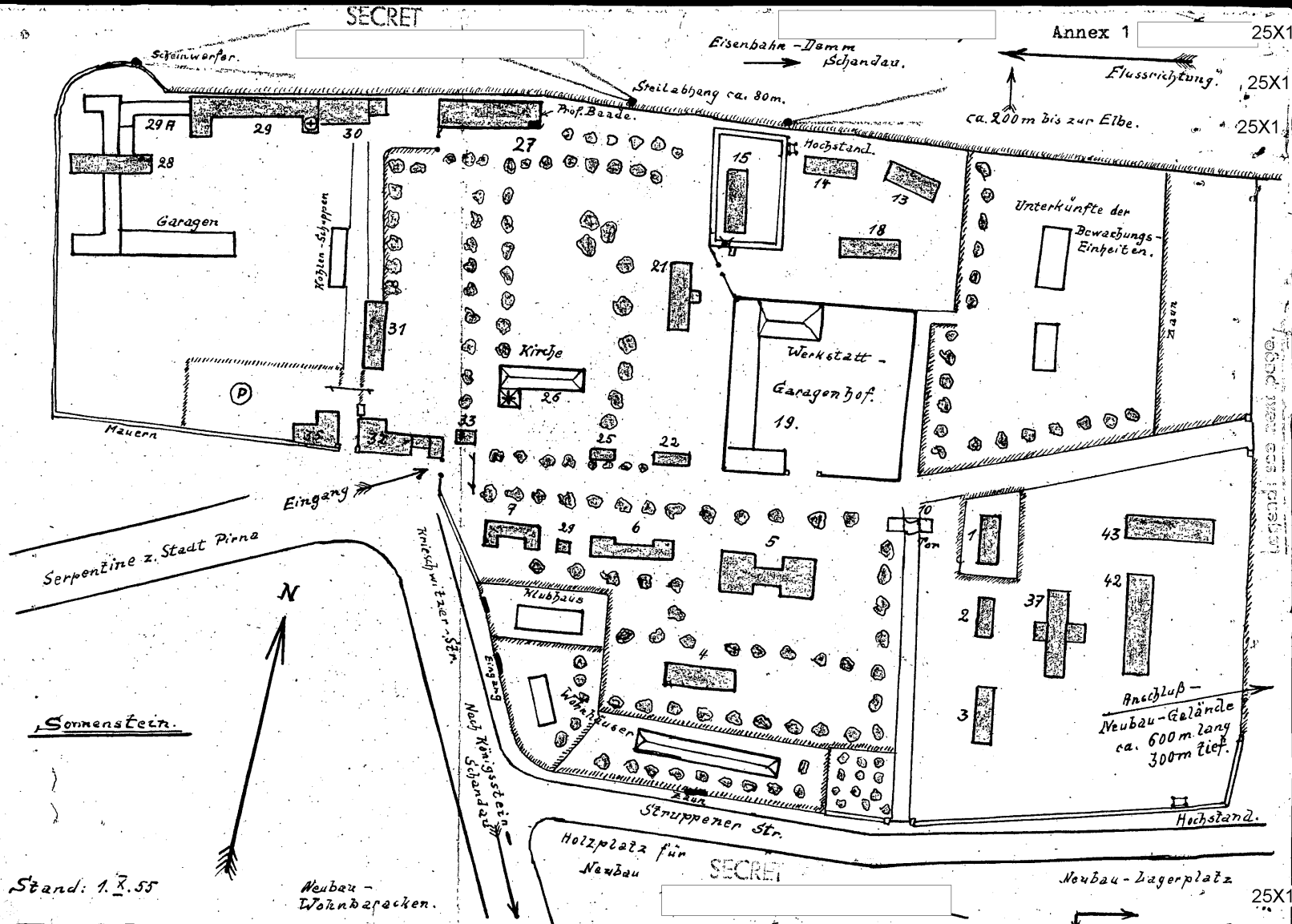
1. Comment: For sketch of the Sonnenstein installation, see Annex 1.
2. Comment: For Soviet Instruction No 580 - 55 on the acceptance of half-finished metal goods for plants of the Ministry for Aircraft Industry, see Annex 2.
3. Comment: The location of this plant is not known.
4. Comment: This output is probably only the initial output. Other reports indicated that ten IL-14s were scheduled to be produced per month in mid-1957.

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Annex 1

Sketch of the Garmontoin installation

Official designation

- 1 construction management
- 2 " "
- 3 VE Institute for materials
- 4 tech-construction group
- 5 kitchen, supply building, VEB Entwicklungsbau (building development)
- 6 VE Institute for measuring and testing techniques
- 7 ambulance
- 11 Institute for materials (chief, Eitner, ~~xxxxx~~ Dipl. Ing. Heinz
- 12 " for equipment (chief, Lintash, ~~xxxxx~~ Karl
- 13 " for measuring and testing techniques
- 14 " for norms and standardization
- 15 " archives
- 16 central library for technical books (Dr. Brunschka (fma))
- 17 central files for photographs - means of instruction
- 18 VEB development, money and wage office
- 27 VCI administration, management (3 stories, totalling approximately 324 rooms)
- 28 VEB Entwicklungsbau Pinn, management, construction, administration (more than 400 rooms)
- 29 VCI administration, planning, material
- 30 heating system
- 31 technical school
- 32 yard and main entrance
- 35 bag and package storage room for employees
- 37 VEB work halls
- 42 " " "
- 43 VEB work halls

This tabulation is incomplete and may not be exact, but will give a general view of the Garmontoin installation.

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